

1. Why are Diamond's sales to new members declining steadily relative to existing & acquired members?

DRII's sales to new members is not steadily declining. The total number of sales to new members is growing. As previously provided to you, DRII's gross VOI sales have more than doubled from \$318.5 million in 2012. The growth has occurred from all market channels including existing owners, new owners, and owners of vacation ownership in resorts that we have acquired.